

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE JOINT APPLICATION OF LEWISPORT)	
TELEPHONE COMPANY AND TELEPHONE AND DATA)	
SYSTEMS, INC., FOR THE APPROVAL OF THE)	CASE NO. 89-306
ACQUISITION OF LEWISPORT TELEPHONE COMPANY)	
BY TELEPHONE AND DATA SYSTEMS, INC.)	

O R D E R

On October 23, 1989, Lewisport Telephone Company ("Lewisport") and Telephone and Data Systems, Inc. ("TDS") jointly applied for approval of the proposed acquisition of Lewisport by TDS ("the Proposed Transaction"). Lewisport provides telephone service in Hancock County, Kentucky.¹ TDS maintains and operates telephone companies in 26 states, including Kentucky.² TDS, however, does not provide telecommunications services; it is a holding company only. This Order grants approval of the Proposed Transaction.

¹ Case No. 3312, Application for a Certificate of Convenience and Necessity to Construct, to Obtain and Exercise Rights Under a Franchise, to Borrow, and to Establish Rates.

² Case No. 10433, The Joint Application of Leslie County Telephone Company for the Approval of the Acquisition of the Leslie County Telephone Company by Telephone and Data Systems, Inc.; and Case No. 89-197, The Matter of the Joint Application of Salem Telephone Company for the Approval of the Acquisition of Salem Telephone Company by Telephone and Data Systems, Inc.

THE PROPOSED TRANSACTION

TDS will acquire 100 percent control of Lewisport by the cash purchase of all issued and outstanding common shares of Lewisport. All of Lewisport's shareholders will participate. Lewisport will continue telephone service in its current name and with the same management. There will be no disruption of service nor any additional charges to the customers of Lewisport.

APPLICABLE LAW

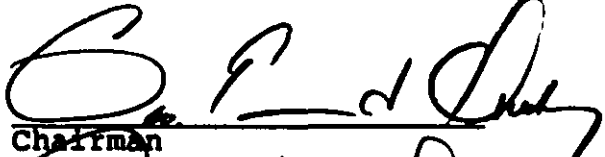
KRS 278.020(4) and (5) require the Commission's approval before control of a utility can be acquired by a person or corporation. As TDS will gain total control of Lewisport, KRS 278.020(4) and (5) apply to the Proposed Transaction.

The Commission finds that the Proposed Transaction will not work to the detriment of Lewisport's customers. Rates will not increase as a result of the acquisition. TDS has the financial, technical, and managerial capability to maintain Lewisport so that Lewisport can provide reasonable service. TDS has much experience in this field and by the retention of the current experienced management of Lewisport, the Proposed Transaction should go unnoticed by the customers.

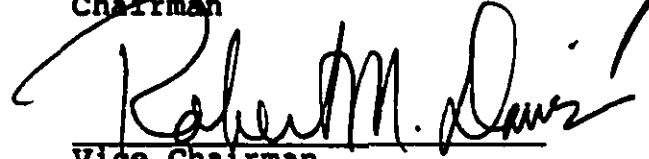
IT IS THEREFORE ORDERED that the acquisition of control of Lewisport by TDS be and hereby is approved.

Done at Frankfort, Kentucky, this 12th day of December, 1989.

PUBLIC SERVICE COMMISSION



Chairman



Vice Chairman

Commissioner

ATTEST:

Executive Director